

**MINUTES OF PUBLIC MEETING
FOR PHASE 3 SEWER PROJECT
OF LOCKWOOD WATER AND SEWER DISTRICT**

July 9, 2020

A public meeting of the Lockwood Water and Sewer District Board of Directors was held on July 9, 2020, to gather public input regarding the Phase 3 Sewer Project. President Peters called the meeting to order at 7:00 p.m. in the conference room of the Lockwood Fire Station, 501 Johnson Lane, Billings, Montana 59101.

Present at the meeting were Board members' Carl Peters, Merrill Walker, Nancy Belk, Carlotta Hecker, and Stuart Deans. Also present was Manager Mike Ariztia, Assistant Manager Tony Reed, Jill Cook of Morrison-Maierle, and Evelyn Pyburn of the *Yellowstone County News*.

There were 15 members of the public in attendance.

Public Attendance record attached to minutes

**PUBLIC MEETING PRESENTATION BY JILL COOK
OF MORRISON-MAIERLE**

Ms. Cook thanked everyone for coming. This is the second public meeting. The first public meeting was held in 2018. The project was then put on hold for the funding applications' review and award in 2020.

What are the objectives of the public meeting; Ms. Cook advised she will go over recent sewer progress and successes, give an overview of the Phase 3 project and costs, discuss funding and implementation schedule, review the environmental reports, and gather public input on the proposed project and the environmental reviews.

When a community wants to plan a project and they want to apply for funding from state or federal agencies, a report called a Preliminary Engineering Report (PER) is prepared. The intent of that report is to analyze system needs, look at priorities, timelines, projected costs, and apply for state and federal grants and low interest loans. These steps for Phase 3 have been completed, and the funding applications have been submitted.

In the PER, the entire existing wastewater collection system is examined. They look at the planning area, the remaining unserved area in Lockwood, the demographics and population projections, and wastewater flow forecasts from all the remaining areas. Then they look at alternatives. Alternatives may be options that will make the project more affordable or more effective. They also complete an environmental review, which in this case has been completed. The required public notice was given, along with a public comment period. .

The next step is to develop an implementation plan consisting of preliminary layout of the

included a GO Bond based on property value or a special assessment based on an equal amount per each tax code parcel. People tended to like the special assessment with an equal amount charged per parcel better; (one house, one connection).

We refined the service area reducing it from 1020 properties to 640 properties encompassing some of the smaller lots in Lockwood, Hemlock, Greenwood over here on to Rosebud, Starlight area. Lockwood had \$2.7 million in grants for Phase 2 and approximately \$6 million in loans. In addition to that, Yellowstone County contributed just under \$800,000 for restoring and upgrading the roads.

Phase 2 was to be paid by special assessment in equal amount per the tax code, not per the lot. The assessment is updated annually and the idea is as new subdivisions are brought in within the boundary, the assessments per parcel go down. Population projections were rechecked assuming that some large lots would subdivide into smaller lots based on new zoning regulations.

Future sewer service areas begin with a service area delineation. All the rest of Lockwood was looked at that wasn't included in Phase 1 or 2. (Referring to maps. Areas currently without sewer were evaluated as part of the future sewer planning area, and each area was analyzed to develop a preliminary cost estimate.

Areas were prioritized as "basins" in terms of project affordability looking at cost per lot, constructability, efficient phasing. If a basin is right next to the Phase 2 sewer and then there's another basin farther down the line, they can't get to the farther out basin until you're connected into the adjacent basin. Reports are provided by the county on drainfield conditions and soil suitability, and also growth potential and economic cost effectiveness is looked at.

The areas that were ranked highest were identified and prioritized as the Phase 3 planning area. Lower ranked areas were identified as a future Phase 4. A Phase 3 planning area boundary was established for cost estimating and they did an alternative analysis regarding whether they would build it all as one big project or split it into two separate projects, 3A and 3B. The final boundary will need to be established through a legal process where the boundary is established, legal notice is published, a public meeting is held. There will be an opportunity to petition in and out of that boundary, the Board will consider those petitions, and at that time a final boundary would be established.

Other alternatives will be looked at including cost effectiveness, things like optimizing the number of lift stations. There are two areas that are lower than Old Hardin Road that will require pumping back up to the trunk main at Old Hardin Road, and it has been looked at to see if those two can be combined into one. Alternative sewers have been analyzed, which can include vacuum systems, and low pressure pumping systems. Opportunities have been looked at to take advantage of alley construction where there are alleys. Another alternative looked at was moving the trunk main for some distance out of Old Hardin Road to Driftwood.

I'm a realtor. If the sewer is within a close enough distance to the property being sold, the lenders are going to require that it be connected. So, one way or the other, at some point everybody is going to get hooked to the sewer to satisfy the needs of the lender that is loaning the money on the sale of the property.

MS. COOK: Okay. And I would also say, the other thing about doing special assessments is you can pay off in advance if you choose to. So, a GO Bond on the property for the duration of the loan, there's no way to prepay it, but the assessment, if you want to pay it off early, like in a house sale, something the buyer might say I'm going to pay the assessment.

FROSTY ERBEN: But nine times out of ten they do ask for any SIDs that you can pay off to be paid off, but it is negotiable.

MANAGER ARIZTIA: Every year that payoff amount is recalculated based on how much was paid toward principal the year prior. Before the new list goes out to the tax rolls for the coming year payoff is recalculated based on your portion of the current principal amount. Once the assessment is paid off, the property is removed from the tax list.

Now, if you pay off that property somewhere during that tax year, once the list has been submitted to the County and DOR, and the property tax bills have gone out, then that property tax has to be paid throughout that year because it's already been calculated in the total payoff. Then it would be removed from the tax list for the upcoming year.

ROBIN RUDE: And did you say when it's recalculated they look again in the additional properties and subdivide in – the denominator in the calculation changes if there are more properties that year than the previous year?

MANAGER ARIZTIA: Yes.

ROBIN RUDE: So the sewer assessment, though, doesn't get charged until the bonds are sold.

MANAGER ARIZTIA: Correct.

MS. COOK: Right. That would be a project construction fee.

DICK HOKE: So, under 3B sewer assessment, is that a monthly cost? Is that added into the annual cost of your taxes?

MANAGER ARIZTIA: Yes.

DICK HOKE: So, it would be \$1400 additional --

MANAGER ARIZTIA: A year on your property tax, yes.

probable grants that we know of right now, and we're assuming Lockwood will get in are RRGL and TSEP . Lockwood would be eligible for \$125,000 from RRGL. There's the TSEP program, and there's the SRF loan program, and that's a low interest loan from the State of Montana. We will continue to monitor for other infrastructure funding that may become available.

CARL PETERS: Jill, what's the amount on TSEP, is it \$750,000?

MS. COOK: For TSEP, I believe we're at \$500,000 --

MANAGER ARIZTIA: \$625,000.

MS. COOK: \$625,000. It's based on median household income in the area.

We're hopeful that with the current situation with the economy, that there could be additional infrastructure stimulus money. We'll be looking for that. Phase 1 happened to go at a very fortunate time when all that other stimulus money was coming out in 2008-2009, and so if there's any option to take advantage of any other funding we'll certainly be alert to that. If additional funding came in, these costs would go down.

So, there is help for low income households. There can be help paying for the actual construction costs on your property. When you go to connect in, you're going to need to hire a contractor to come in and install your sewer service from your home to your stub-out which will be left at the property line. There are grants for low income households, and especially for seniors.

DICK HOKE: Can you do that yourself or does it have to be done by a contractor?

MS. COOK: You can do it yourself but plumbing code requires the connection be made by a plumber. You can run it all the way up to five feet away from the connection, with the caveat being that Lockwood also needs to be notified when the connection is made to come out and perform an inspection of your service.

We have an preliminary implementation schedule. The recommended alternative right now is breaking it into two projects. The reason that's the recommended alternative is that allows both projects to go out and apply for funding. So the Phase 3A project will go first, we will start the design on that. Meanwhile we would then apply for the next funding cycle, which is another two years out, for Phase 3B.

The preliminary schedule shows we completed the facilities plan approval and adoption. Lockwood submitted TSEP and RRGL grant applications this spring. Lockwood has notified SRF of the possibility of taking out a loan if the bond passes so that process is complete. Because Montana Legislature only meets every other year, you turn in your funding applications in even years; the Legislature meets in odd years, and so Lockwood won't know about the final word from the Legislature until 2020/2021.

inflation.

ROBIN RUDE: Just to clarify, the grant applications, then, would be dependent upon total cost of the project, so if it was \$20 million versus \$10 million, you would double the amount that you may be awarded if it was 20 million?

MS. COOK: No, the grants available don't vary based on the size of your project. If there were some future stimulus money, it could vary based on the cost of the project. We saw Phase 1 got \$6.7 million. That was because Lockwood worked with their representatives in D.C. to say we have this extremely important project, that's why they got 6.7 million.

CARL PETERS: Those grants today are almost unheard of.

MS. COOK: So those are what people talk about when they talk about earmarked, the federal earmarks that people get their senators to arrange. Lockwood was the proud beneficiary of one of those earmarks.

CARL PETERS: So, it's not such a bad word, is it?

MS. COOK: When you're the one that's getting it, it's pretty nice.

So that's the preliminary implementation schedule. Like I said, there was a environmental report completed. Most of the sewer lines will be placed in existing roads, areas that have previously been disturbed. We do go out when we do an environmental review to give notice to all the agencies, Army Corps of Engineers, Natural Resources Conservation Service, U.S. Fish & Wildlife, DEQ, the DNRC, Fish, Wildlife & Parks and State Historic Preservation Office. We send them a figure from our projected sewer layout and say if you have any concerns regarding construction in these areas, please let us know. We also have to do a report that analyzes land use, for example, are we taking any prime farmland out with this project.

Biological resources, are we impacting any native species or habitats. Floodplains, are we crossing any wetlands; are we worrying about any culture or historical resources, and then socio economic and environmental justice would be would be are we serving only a section of the community that has a lot of money and we're leaving out a certain racial group or whatever the case may be. The environmental report didn't find any significant environmental impact. There will be short-term impacts from construction that the contractor will have to mitigate.

So the next steps, TSEP application is already submitted. Normally we would have had this public meeting prior to that, but we couldn't. The fact that we had a public meeting has to get to TSEP by August. We will continue to monitor for other sources of funding. When the Board chooses, the process can be started to legally establish the Phase 3 boundary with the goal of project implementation, starting the design in 2021, and starting construction in 2022.

BOB RIEHL: If something were to come up with say, based on the past history

I don't know if the Board has any other comments on that area.

NANCY BELK: This is the Pine Hills area, it's not that it couldn't be served, and it could possibly be its own special area, it's just not part of Phase 3. It could be in a future Phase 4 because it's not included in planned Phase 3.

DICK HOKE: So it will be another five years before they take care of restrictions.

NANCY BELK: Yeah, if we can get Phase 3 going. We have to get Phase 3 going before we do Phase 4.

TROY UNREIN: Jill, I have a question on that. If they apply for a special grant because of the Covid-19, would that change the construction timeline?

MS. COOK: Not necessarily. The Board can tell us to start designing any time they want to, but assuming that we are waiting for the state grants and the legislative cycle to happen next year, I'm assuming we would still be starting design in 2021. There have been circumstances even for the Lockwood Water and Sewer District where some grants has already been obtained or some funding has already been obtained and we have started design prior to the grants being finalized, particularly when we talked with staff at the state agencies and we know that it's being ranked very high.

MANAGER ARIZTIA: I would think, too, that if sometime during the design process, say that everything goes through, we're going for a Phase 3A with that 3A boundary, and if additional infrastructure funding money becomes available in large dollar amounts, I think that we would re-look at 3A and 3B together to kind of spread that additional grant money.

MS. COOK: And we'd have to work with your attorney on the special assessment election that it was done and the boundary setting process is done.

TROY UNREIN: You said there might be two lift stations, where would the other one be?

MS. COOK: So, a lift station here, and it's way down at the north end here. It all falls to the north, so we would pick it up on the north end and pump it back. The other one is for this whole area, this is Tillamack. This entire area will also be pulled up to the north. Preliminarily it had its own lift station right about here. So one of the alternatives to reduce costs will be Alternative 3. We don't ever design around getting easements because that's a property owner's decision. We assume initially that everybody's got to serve themselves in the public right-of-way and if we happen to be able to get an easement, then we can combine and reduce costs.

TROY UNREIN: Okay, that easement you were just talking about, later, if somebody does get that easement, if somebody gets an easement on that other property for the lift station,

MS. COOK: Everything on the south side of Old Hardin Road is running by gravity. These areas slope off significantly towards the Interstate as you head north, and to bring those in by gravity, the whole system, that 30-foot in Old Hardin Road would have been 40 feet, and so we always planned from the very beginning that we were going to have to pump the area north of Old Hardin Road back up to Old Hardin Road. It's not a long distance, it's not a huge lift. But the way the ground slopes to the north, it's really not reasonable to dig something that deep to serve those areas by gravity.

These areas will run by gravity to their lift stations, and then the lift station will pump back to Old Hardin Road. Everything south of Old Hardin Road flows by gravity.

TROY UNREIN: So, I know that Johnson Lane Interchange is coming up, are there any considerations of bringing the sewer lines that they cross Johnson Lane and those somewhere past the highway there?

MS. COOK: So, these areas are served in Phase 1, we've got that sewer main at Johnson Lane here, it comes from Wade currently over to Reynolds and then crosses the Interstate. So all of this was already served by a lift station, so the Town Pump over here and all of these commercial properties all run to a lift station, Johnson on Firth and it comes across Old Hardin Road and then pulls by gravity.

TROY UNREIN: And there will be no changes to that scenario.

MS. COOK: No. Nothing to change because it's all in the ground.

FROSTY ERBEN: I don't know if this is the time to talk about this, but here is another consideration. Those of us that have lived out here for a while and have lived through the different construction phases of the Interstate and the sewer, if they combine this with the rebuilding of the Interstate intersection, it's going to be hell getting out of these neighborhoods to get anywhere west of here. I'm thinking that after you get this done, if you get this done before they start construction on that, it would be a whole lot less trouble trying to get out of that area.

MS. COOK: I guess last I heard, it sounded like MDT was planning on this intersection rebuilding coming around 2023/2025. I'm betting on 2025.

FROSTY ERBEN: Is that what they saw, 2023 to 2025 for the Interchange?

MS. COOK: Yes, that's a good point, in one way or the other, we will have to deal with in and out so provision will be made one way or the other, and we won't have any construction.

FROSTY ERBEN: So you wouldn't go all the way up Becraft to Westgate in one shot?

DICK HOKE: That's going to jam everybody up for a while.

go back out for bid?

MS. COOK: No, it will always go to bid. Each project goes out for bid. So the Phase 1 project was done in five different construction projects. I believe COP did three and Western Municipal did two, and then on Phase 2, COP did Phase 2, and Western Municipal did intake.

What else?

DICK HOKE: Just here again, see if they can do better compaction on their – I mean Phase 2, I've still got, in the subdivision where I live, there are dips, they should be fixed. It's just like Old Hardin Road is Phase 1, hey, I worked for the City for 20 years and I know what the road is like. COP Construction used to be number one in the City area or Yellowstone County, I think they could be number 10 now, we might as well hire Hong Kong to get someone to do our work.

Old Hardin Road don't – I know the County's got a lot to say what's done on the road, but let's make it feasible. When you drive down Old Hardin Road, you're hitting traffic, it's like riding on a roller coaster, you know. There should be better compaction. There is no need for it not to be.

AUDIENCE: Who inspected – who was doing the inspection when the manhole covers were this much too high on Old Hardin Road?

MS. COOK: So, I think that happens over time. It certainly wasn't that way on the last day of the construction project. I personally walked it with the contractor as well as representatives from the District and representatives from the County. If it's more than, I can't remember what the County standard is, they have a standard for how high that rim can stick up and they had a measuring stick measuring each one. In defense of the contractor, which I shouldn't do, I'm not the contractor, it can be hard to get compaction right next to a manhole, you can't take your machines in there.

AUDIENCE: I worked on the sewer for Lloyd Lockrem and other ones, and when they got done, if it wasn't done right, if that stuff happened within a year or two years, they'd come back and fix it.

MS. COOK: Right. And that's the situation here. Lockwood required a Phase 2 warranty, COP came back several times during that Phase 2 warranty. At some point, after the Phase 2 warranty is over, they are no longer obligated. But, I mean, it's a point well taken and it's something Mike and I have talked about, you know, these three areas that have to be watched. In an ideal world, there wouldn't be any problem.

ASSISTANT MANAGER REED: We're aware of what's going on out there because we get calls all the time.

decide to take things into their own hands and extend the sewer and run their own distribution system. Small areas can get together and form an RSID or a rural special improvement district and say we're going to do it ourselves and build our little section. We've worked with some subdivisions that have come to us and said we think we want to do this, all my neighbors are interested but at the end of the day, when we've put together the project costs, they're not eligible for the same grants and loans that the District is eligible for, and so none of those areas chose to go with an RSID, but it's an option. And that's a resident led initiative.

ROBIN RUDE: So is there any reason for public approval, whether it's 3A or 3B or Phase 3 all together?

MS. COOK: So, the Board would decide if we're doing 3A and 3B or doing them combined, and so we've already talked to the Board about it. We went through the PER with them, made the recommendations. The direction that the Board chose was to put them in two projects, and that's why when we applied for funding we told all these state agencies we're doing them as two projects and we applied for funding for 3A with a plan to go back and apply for 3B funding in two years.

ROBIN RUDE: So in the event there's infrastructure availability from the feds due to Covid, would that be re-looked at and maybe if more is available, to then combine them again, or is it a done deal?

MS. COOK: So it could be, and that would be a Board decision, and it depends where we are in the process. So if there have been boundary setting hearings already, and if the assessment had been passed, I'm not a lawyer, but that's going to become a lot more complicated because a specific boundary already agreed to assess themselves, and the rest of the folks haven't even been involved, so we'd have to back up.

MANAGER ARIZTIA: Or that you could then, if infrastructure funding came about, you could choose to do 3A and 3B as separate projects, but still apply for that additional funding.

MS. COOK: You could ask for 3A separate funding and 3B separate funding. And you can see where we are in the process here. I mean, we're looking at around this time next year before the legal process for the special assessment will occur. That gives us a year for some of the funding to come about before we get locked in with that special assessment.

MANAGER ARIZTIA: Just so the public knows, and I think we've demonstrated through here, but we look at every possible opportunity we can, not only to decrease the cost of the project by doing some of the things that Jill said. There are several things we can look at, eliminate lift stations, realignments on the sewer main so we put in less footage of sewer pipe, and then also we are constantly looking at funding because we know that regardless of how bad people want sewer, the cost is what's going to matter to a lot of people and whether they can afford it or not.

and I'm not sure they would.

FROSTY ERBEN: Could you put that map back up there, just ask a quick question from a builder/developer's standpoint.

This subdivision right here is platted, it's Blueberry Flats, it's the rest of Emerald Eagle. I'm talking to a contractor that wants to buy this. Is it to his advantage to put the sewer in the subdivision and then wait for the sewer to come in, or should they just go ahead and do the infrastructure, water, gas, electric and forget about the sewer until it comes in over there. We all know the more Lockwood we have to spread this over, the less cost it's going to be for individuals.

MS. COOK: Sure.

FROSTY ERBEN: Well, that's number one, and this one is for sale right now at too high of a price to even be able to sell it.

MS. COOK: This property?

FROSTY ERBEN: This one right here exactly. If they could get the price down to where it was economically feasible that would be probably one that would go 30,000. And I don't know what Mortensen is going to do with his, but he's got that one, 40 acres right there that is likely to be looked at pretty hard by people wanting to move out here. And then there's also this piece right here that is part of Wentner's Eagle Cliffs Subdivision.

MANAGER ARIZTIA: That's getting ready to develop, at least a portion of it.

FROSTY ERBEN: I mean, there's stuff happening, but the question is, is it to the developer's advantage to put some of this stuff in.

MANAGER ARIZTIA: So, I would say that there's a couple trains of thoughts. As a developer you're incurring the cost of putting a completely separate system from what you're required. You're required to put in the water and run it through there. There's a pretty big cost for the developer to run the sewer system in a property that doesn't have sewer available to it and make that pencil out on the lots.

The second portion is to design a system not knowing what the City or the municipal system depths are going to be, sizes are going to be, it would be kind of difficult to be able to design something that would tie into a line of sight and bury it.

MS. COOK: There would have to be some planning to make sure that they've established a reasonable entry plan and then there would be some calculation to determine appropriate system development fees to tie into the system.

MANAGER ARIZTIA: That, and then if the District sewer system doesn't get out there

build.

MS. COOK: Yes, if developers planned for future sewer by keeping the water in a specific corridor and leaving space for future sewer installation, which would be ideal.

That's been the challenge with these projects, you work along in areas that are fully developed with all the other utilities, there's irrigation water running everywhere. It's not ideal.

CARL PETERS: It's tough to be the last utility.

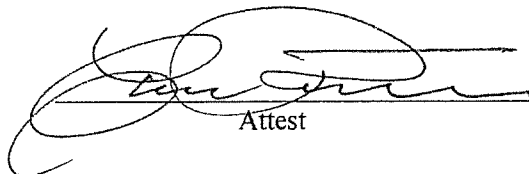
TROY UNREIN: I just have a comment here real quick. You know with Jill being a resident of Lockwood, she's got game here. I trust her that she's going to make good business decisions, you know, on my behalf and goes after loans and things like that. She's got to be on top of her game.

MS. COOK: I am a resident and I'm in 3B. I care for this community. I've lived here for all these construction projects and I'm drinking the water and I've got a septic tank that I'm hoping that it lasts until the sewer gets to me.

Thank you all for coming.

There being no further questions to come before the Engineer or Board, the second Public Meeting on the Phase 3 Sewer Project was adjourned at 8:35 p.m.


Attest


Attest

**MINUTES OF REGULAR MEETING
OF BOARD OF DIRECTORS
OF LOCKWOOD WATER AND SEWER DISTRICT**

July 9, 2020

The regular meeting of the Lockwood Water and Sewer District Board of Directors was held on July 9, 2020. President Peters called the meeting to order at 7:00 p.m. in the conference room of the Lockwood Fire Station, 501 Johnson Lane, Billings, Montana 59101.

Present at the meeting were Board members' Carl Peters, Merrill Walker, Nancy Belk, Carlotta Hecker, and Stuart Deans. Also present was Manager Mike Ariztia, Assistant Manager Tony Reed, Jill Cook of Morrison-Maierle, Evelyn Pyburn of the *Yellowstone County News*, and Steve Arveschoug and Thom Maclean of Big Sky Economic Development.

Attendance and voting record attached to minutes

PUBLIC COMMENT:

None.

APPROVAL OF MINUTES:

The minutes of the June 10, 2020, Board meeting were presented for approval. There were no corrections noted.

- I. Carlotta Hecker moved to approve the minutes of the June 10, 2020 Board meeting as written. Stuart Deans seconded the motion.
Motion carried.

NEW BUSINESS:

*** Lockwood Targeted Economic Development District (TEDD) Update**

Steve Arveschoug and Thom Maclean of Big Sky Economic Development reported on the TEDD progress.

Mr. Arveschoug stated they want to compliment Manager Ariztia for his patience and consistent participation in the TEDD development. In April of 2019, Manager Ariztia and BSED went before the Billings City Council requesting the City's consideration and cooperation in entering into an agreement between LWSD and the City to expand LWSD's service area.

budgeted in 2020 but not purchased

These additions will be reflected as follows:

Water Expense Budget Line Item 510 (Insurance) increase from \$45,000 to \$60,000.

Sewer Expense Budget Line Item 510 (Insurance) increase from \$40,000 to \$42,000

Water Capital Budget add new truck for \$27,000

Sewer Capital Budget add new truck for \$10,000

- III. Merrill Walker moved to accept the Amendment to the 2021 Water and Sewer Operations Budget, approved June 10, 2020 by Resolutions 160 and 161. Stuart Deans seconded the motion. Motion carried.

Copy of Memo attached to minutes

*** Resolution No. 162 to Accept the Determination that an Environmental Assessment is Appropriate for the Lockwood Water and Sewer District Phase 3 Sewer**

Resolution No. 162 was presented to accept the determination that an environmental assessment is appropriate for LWSD Phase 3 sewer.

Resolution to Accept the Determination that an Environmental Assessment is appropriate for the Lockwood Water and Sewer District Phase 3 Sewer Subdistrict Project 3A

WHEREAS, the Lockwood Area/Yellowstone County Water and Sewer District has completed an assessment to identify potential environmental impacts of the Phase 3 Sewer Subdistrict Project 3A;

WHEREAS, the draft Environmental Assessment was made available for public comment and the findings were presented and reviewed at a public meeting;

WHEREAS, no substantive public comment was received;

WHEREAS, the Lockwood Area/Yellowstone County Water and Sewer District has determined that the Phase 3 Sewer Subdistrict Project 3A will not significantly affect the quality of the human environment and accordingly the Lockwood Area/Yellowstone County Water and Sewer District has determined an Environmental Impact Statement is not necessary;

NOW, THEREFORE, BE IT RESOLVED by the Lockwood Area/Yellowstone County Water and Sewer District Board as follows:

That Lockwood Area/Yellowstone County Water and Sewer District, Montana, adopts the final Environmental Assessment for the Phase 3 Subdistrict Project.

construction by July 29th, to be completed by September 18th. Jill advised they actually have 45 calendar days to final completion and 15 days after that for cleanup and miscellaneous items that may arise.

*** Water Treatment Plant Upgrade Project update**

Originally bids were planned to be opened Thursday, July 2, 2020, and potentially to make an award week of July 6, 2020. However, there have been delays with DEQ getting the project reviewed due to some of their staff working from home because of the pandemic. They have 50 days to review the project and this has not been possible. There is one particular design item that is in contention. Additional documentation has been provided, and Morrison-Maierle has filed a deviation request and is waiting for a response.

MANAGER REPORTS:

Pumping Record - Water:

June, 2019	31,018,700
June, 2020	35,963,900

Wastewater record:

May, 2019	2,538,712
May, 2020	4,905,384

Exxon Wastewater:

May 2019	61,001,644
May, 2020	64,967,540

Manager Ariztia advised he talked to Chief Staley of the Lockwood Fire Department and brought up fire service to non-Lockwood customers. It may not be a per hydrant fee, but it could be that if somebody who lives outside the District has a fire and if the Fire Department responds to that fire, that at least LWSD would be covered for the water usage. This would also include water used for wildfires.

The search for water rights continues. Manager Ariztia will discuss with the water rights attorney what water rights are presently worth and how much should be offered to obtain the rights. The Board would then be in a position to give Manager Ariztia a not to exceed number. There will be further discussion at the next Board meeting.

ADJOURNMENT:

V.. Merrill Walker moved to adjourn the meeting. Carlotta Hecker seconded the motion. Motion carried.

**SPECIAL MEETING MINUTES OF
BOARD OF DIRECTORS
OF LOCKWOOD WATER AND SEWER DISTRICT**

July 27, 2020

A special meeting of the Lockwood Water and Sewer District Board of Directors was held on July 27, 2020. President Peters called the meeting to order at 7:00 p.m. in the conference room of the Lockwood Water and Sewer District Office, 1644 Old Hardin Road, Billings, Montana.

Present at the meeting were Board members' Carl Peters, Nancy Belk (by telephone), and Stuart Deans. Also present was Manager Mike Ariztia and recorder, Marilyn Niezwaag. The meeting was convened for the specific purpose of approving the Public Meeting minutes.

APPROVAL OF MINUTES:

The minutes of the July 9, 2020, Public Meeting were presented for approval. Discussion followed and corrections and additions were made by Jill Cook, Nancy Belk and Manager Ariztia for finalizing the minutes.

- I. Nancy Belk moved to approve the minutes of the July 9, 2020 Public Meeting with the corrections provided by Jill Cook, Nancy Belk and Manager Ariztia. Stuart Deans seconded the motion. Motion carried.

Copy of Public Meeting Minutes attached to minutes

ADJOURNMENT:

- II. Nancy Belk moved to adjourn the meeting. Stuart Deans seconded the motion. Motion carried.

There being no further business to come before the Board, the meeting was adjourned at 7:25 p.m.



Attest



Attest